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JOHN A. STALFORT
410-385-3424

November 4, 1997

RECORDATION NO. 20980

FILED

NOV 5 '97

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RECEIVED
SURFACE TRANSPORTATION
BOARD

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

Re: Our File Number: 258-1790

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Memorandum of Loan Agreement, Chattel Mortgage and Security Agreement dated October 31, 1997 by and between Southern Illinois Railcar Company (Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201).

Also enclosed is a check in the amount of \$24.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (410) 385-3425 if you have any questions.

Sincerely,



Michele E. Sperato
Secretary to John A. Stalfort

Enclosures

REGISTRATION NO

FILED

NOV 5 '97

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STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Memorandum of Loan Agreement, Chattel Mortgage and Security Agreement is a true and complete copy of such Memorandum of Loan Agreement, Chattel Mortgage and Security Agreement.

WITNESS my hand and seal this 4th day of November, 1997.

Michelle E. Sperato
Notary Public

My Commission Expires:

January 28, 2001

NOV 5 '97

11-52AM

MEMORANDUM OF LOAN AGREEMENT, CHATTEL MORTGAGE
AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Memorandum") is made this 31st day of October, 1997, by and between SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation (the "Borrower"), and THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (the "Bank").

A. Borrower and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement (the "Agreement") dated October 31, 1997 pursuant to which Bank Agreed to make to Borrower the loan described in the Agreement (the "Loan").

B. To secure payment and performance of Borrower's obligations to the Bank, the Borrower granted to the Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the following collateral (the "Collateral"), to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever:

(a) the 145 covered hopper railcars bearing the road numbers set forth on Exhibit A attached hereto and made a part hereof (the "Railcars").

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and placements of the Railcars described above (the Railcars and the equipment described in this subsection (b) being hereinafter sometimes collectively called the "Equipment Collateral");

(c) all proceeds, rentals, casualty value payments, settlement payments and requisition compensation from the sale, loss or other disposition of the Equipment Collateral;

(d) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against the seller under the purchase agreement under which the Borrower acquired title to the Equipment Collateral or any manufacturer, rebuilder of the Equipment Collateral (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Equipment Collateral or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, (i) the Lease Agreement dated as of September 1, 1995 between Southern Illinois Railcar Company, an Illinois Corporation, as lessor, and Bunge Corporation, a New York corporation, as lessee, assigned to Borrower pursuant to an Assignment and Assumption of Lease dated as of October 1, 1996, (ii) the Amended and Restated Lease Agreement dated as of December 29, 1995 between Southern Illinois Railcar Company, an Illinois Corporation, as lessor, and Prestage Farms Inc. and Carroll's Foods Inc., each a North Carolina corporation, collectively as lessee, assigned to Borrower pursuant to an Assignment and Assumption of Lease dated as of October 1, 1996, and (iii) the Lease Agreement between Borrower and Helm Financial Corporation dated as of April 1, 1996, together with all of the Borrower's right, title, interest, claims and demands to and under said agreements, including all extensions, renewals and replacements thereof, together with all rights, powers, privileges, options, other benefits of the Borrower, including, without limitation, the right to receive all notices, give consents, exercise any election or option, declare defaults and demand payments with respect thereto;

(f) all rent, issues, income, profits, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Equipment Collateral;


(g) all monies and other funds from time to time on deposit in the collateral account established between the Borrower and the Secured Party pursuant to the Loan Agreement, Chattel Mortgage and Security Agreement dated October 31, 1997 between the Borrower and the Secured Party, all interest payable thereon, all rights and privileges incident thereto;

(h) all proceeds (cash and non-cash) thereof; and


(i) all books and records relating to any of the foregoing.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

SOUTHERN ILLINOIS RAILCAR
COMPANY, L.L.C., Borrower

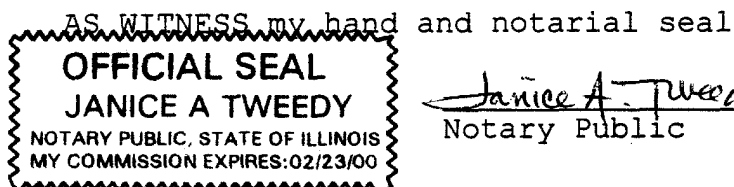
By: 
Fred L. Parsons
Manager

THE FIRST NATIONAL BANK OF
MARYLAND, Bank

By: 
Roger Weaver
Vice President

STATE OF ILLINOIS, COUNTY OF MADISON.

On this 31st day of October, 1997, before me, a Notary Public of the City and state aforesaid, personally appeared Fred L. Parsons, to me personally known, who being by me duly sworn, says that he is the Manager of Southern Illinois Railcar Company, L.L.C., an Illinois limited liability company, that the seal affixed to the foregoing instrument is the seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



Janice A. Tweedy
Notary Public

My commission expires:

February 23, 2000

STATE OF MARYLAND, CITY OF BALTIMORE.

On this 31st day of October, 1997, before me, a Notary Public RD of the City and State aforesaid, personally appeared ~~Richard M. Weaver~~ ^{Roger} ~~Folio~~, to me personally known, who being by me duly sworn, says RD that he is a Vice President of The First National Bank of Maryland a national banking association, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said association by authority of the Executive committee of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

AS WITNESS my hand and notarial seal

Robert A. Hume
Notary Public

My commission expires:

1/1/01

DESCRIPTION OF RAILCARS

1. Fifty (50) covered hopper railcars bearing the following reporting marks and numbers that the Borrower leased to Bunge Corporation:

SIRX172231	SIRX172372	SIRX172451	SIRX172689
SIRX172769	SIRX172770	SIRX172771	SIRX172772
SIRX172774	SIRX172779	SIRX172786	SIRX172787
SIRX172790	SIRX172791	SIRX172793	SIRX172794
SIRX172795	SIRX172796	SIRX172797	SIRX172799
SIRX520098	SIRX520099	SIRX520100	SIRX520101
SIRX520102	SIRX520103	SIRX520104	SIRX520105
SIRX520106	SIRX520107	SIRX520108	SIRX520109
SIRX520110	SIRX520111	SIRX520112	SIRX520113
SIRX520114	SIRX520115	SIRX520116	SIRX520117
SIRX520118	SIRX520119	SIRX520120	SIRX520121
SIRX520122	SIRX520123	SIRX520124	SIRX520125
SIRX520126	SIRX520127		

2. Sixty-five (65) covered hopper railcars bearing the following reporting marks and numbers that the Borrower leased to Prestage Farms Inc. and Carroll's Foods Inc.:

SIRX470017-470022 (inclusive)
SIRX470024-470033 (inclusive)
SIRX470035-470038 (inclusive)
SIRX470040-470058 (inclusive)
SIRX470060-470069 (inclusive)
SIRX470071-470078 (inclusive)
SIRX470081
SIRX470083-470085 (inclusive)
SIRX470087-470090 (inclusive)

3. Thirty (30) covered hopper railcars bearing the following reporting marks and numbers that the Borrower leased to Helm Financial Corporation:

SIRX000400	SIRX000401	SIRX000405	SIRX000409
SIRX000412	SIRX000413	SIRX000416	SIRX000417
SIRX000419	SIRX000421	SIRX000422	SIRX000424
SIRX000425	SIRX000436	SIRX000438	SIRX000440
SIRX000443	SIRX000444	SIRX000446	SIRX000448
SIRX000449	SIRX001848	SIRX001876	SIRX001893
SIRX001956	SIRX511477	SIRX010847	SIRX010848
SIRX010849	SIRX010912		